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Department of State

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Control: 4439

Rec'd: SEPTEMBER 7, 1962
9:11 AM

DJAKARTA 457

611.98/9-762

FROM: DJAKARTA

TO: Secretary of State

NO: 457, SEPTEMBER 7, 4PM

PRIORITY

DEPTEL 301.

EMBASSY SUBMITS FOLLOWING SUGGESTIONS FOR
POSITIVE DIPLOMATIC INITIATIVE:

1. SEEK TO ENCOURAGE AS MINIMUM, MUTUAL NON-AGGRESSION TREATY BETWEEN AUSTRALIA AND INDO, LOOKING TOWARD MUTUAL DEFENSE AGREEMENT IN WHICH U.S. WOULD UNILATERALLY OR TRI-LATERALLY WITH AUSTRALIA AND NEW ZEALAND, EXTEND ANZUS UMBRELLA TO INDO.

2. VOTE IN UN AS OFTEN AS POSSIBLE WITH ANTI-COLONIAL NATIONS ON COLONIAL ISSUES, RATHER THAN ABSTAINING TO AVOID OFFENDING COLONIAL POWERS.

3. ENCOURAGE MALAYA, PHILIPPINES AND THAILAND TO SEEK CLOSER CONCERT WITH INDOS IN ALL FIELDS.

4. ACTIVELY PROMOTE POLITICAL ARRANGEMENTS WHICH WILL PLACE DEPENDENT AREAS IN NEIGHBORHOOD OF INDONESIA (EXCEPT PORTUGUESE TIMOR) BEYOND REACH OF ANY SUKARNO-LED CRUSADES OF "LIBERATION" FROM COLONIAL RULE. FOR EXAMPLE, MALAYSIA TAKING IN NORTH BORNEO, SERAWAK, BRUNEI; INCORPORATION OF EAST NEW GUINEA INTO AUSTRALIA OR MICRONESIA.

5. INDUCE PORTUGUESE TO VOLUNTARILY TURN OVER TIMOR ENCLAVE IN RETURN FOR INDO PASSIVE ASSISTANCE

• This copy must be returned to RM/R central files with notation of action taken. Copy is

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| ACTION ASSIGNED TO | ECJ | ACTION TAKEN | SECRET | PROHIBITED UNLESS "UNCLASSIFIED" |
| NAME OF OFFICER | FE/KM Pograham | DATE OF ACTION | 9/20/62 | DIRECTIONS TO RM/R |
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-2-457, SEPTEMBER 7, 4PM, FROM DJAKARTA

ON ANGOLA. TIMOR ULTIMATELY WILL FALL INTO INDO LAP
THROUGH IRREDENTIST MOVEMENT OR OTHERWISE;
PORTUGUESE STILL MIGHT GET SOMETHING OUT OF IT.

6. ON NEGATIVE SIDE, SUGGEST U.S. MAINTAIN
POSTURE OF PROMOTING RELATIONSHIPS WITH INDO NO FASTER THAN
INDOS DESIRE SO AS NOT TO CREATE FEARS WE ARE
ATTEMPTING TO DOMINATE THEM.

EMBASSY RECOGNIZES CONTINUING RESPONSIBILITY
INHERENT ITS NORMAL OPERATIONS TO POINT OUT OPPORTUNITIES
FOR DIPLOMATIC INITIATIVES AS THEY MAY ARISE FROM TIME
TO TIME IN FUTURE.

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FOR EAST ASIAN AFFAIRS

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DIRECTOR

UNITED STATES INFORMATION AGENCY
WASHINGTON

SECRET

September 14, 1962

MEMORANDUM FOR: The Honorable
Dean Rusk
Secretary of State

SUBJECT: U.S. Policy Toward Indonesia (Reference National
Security Action Memorandum No. 179)

This statement is submitted for the record in confirmation of papers and comments made available to your working group during the past three weeks.

The Agency has reviewed USIS programs in Indonesia and considered what further actions might be useful. The following actions are contemplated if the local environment permits:

1. Civic Action: Under the Country Team, advise and counsel appropriate elements of the Indonesian Armed Forces on public relations/psychological programs the latter should undertake. Principal aim would be to enhance the public image of the armed forces as civic action innovators. USIS informational output (magazine, motion picture, photo exhibits, etc.) would help tell the story, of course.

2. Youth: Increase, across the board, USIS activities focussed toward the young men and women of Indonesia. At least one American USIS officer will devote full time to this pursuit; but all officers will be involved to varying degrees.

3. Americana: Earnest, persistent efforts will be made to establish "chairs" in American studies at the larger universities of Indonesia. Paul Neilson already has enlisted the support of Indonesian Ambassador Zain toward this end. The Ambassador also has pledged to support efforts to get additional books on American political thought, economic system, etc., into Indonesia, especially into the hands of students. In both efforts (more books, establish "chairs" of American studies), private foundations are to be encouraged to assist.

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4. USIS Branches: Open additional outlets for USIS, especially in outlying regions. These probably will be no more than "reading rooms" at the outset.

5. Travel: Keep as many USIS Americans "on the road" regularly or as circumstances and difficult transportation methods will permit. The aim is to develop the widest personal contact with military commanders, territorial and regional officers, teachers and youth groups.

USIS Indonesia and IAF Washington should support the following actions by other U.S. government agencies:

1. Establish a Peace Corps unit in Indonesia, particularly stressing the teaching of English.
2. Support the Department of State's projected expansion of the educational exchange program, with special attention to youth, sports and labor.
3. Support the Embassy's proposal to use PL-480 and IMG-generated rupiahs to establish a National Science Academy and a National Sports Academy.

CAUTION: The time is propitious for a new and better relationship with Indonesia, but many problems remain. First and foremost, Sukarno's "cult of personality" will continue to be the dominating factor in U.S.-Indonesian relations. Second, the alarming economic deterioration will be the principal factor affecting Indonesian actions for a long time to come. Third, any actions the U.S. undertakes in furtherance of better relations with Indonesia must be pegged to a real understanding of and a demonstrated respect for Indonesia's neutral stance. Fourth, "patient persistence" should be the key attitude of all Americans involved, on the scene and here in Washington; we should refrain from glamorous, immediate-impact actions. Fifth, the communist bloc "ain't going to take this lying down" and we should be prepared for a long, intense struggle.


Edward R. Murrow
Director

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MEMORANDUM

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9/14/62

SUBJECT: Ambassador Jones' Meeting With Attorney General Kennedy,
September 14, 1962

In his September 14 discussion of Indonesian affairs with Ambassador Jones, the Attorney General raised the following matters for which the Department has action responsibility.

1. The Attorney General mentioned his expressed interest in providing the Indonesian Attorney General's Department with a modest quantity of useful office equipment, such as mimeograph machines, etc. Ambassador Jones remarked that the Indonesians have also indicated a desire to obtain a lie detector. He noted that the latter device would require some technical instruction in its operation.

2. The Attorney General inquired as to the progress made in establishing a Kennedy Scholarship for Indonesian students. Ambassador Jones said that the Embassy was now in the process of working out details with pertinent Indonesian authorities, and that the scholarships had not yet been announced publicly in Indonesia. They discussed briefly the manner in which the public announcement might be made. Ambassador Jones suggested that, if the announcement was not ready to be made until after his return to Djakarta, he would like to make the announcement himself, perhaps giving it special flavor by pointing out that he had just returned from Washington bearing the Attorney General's personal best wishes. The Attorney General indicated his agreement with this suggestion.

3. The Attorney General said that he had sent copies of his latest book to Sukarno, Djuanda, Subandrio and others in Indonesia, and that he intended to send further copies to several Indonesian universities. He wished to have Ambassador Jones review the list of Indonesian recipients of the book and to suggest any additions that might be made. It was arranged that a copy of the list would be sent to the Ambassador at the Department.

4. The Attorney General asked about the removal of his Indonesian host, Attorney General Gunawan, from office and inquired as to the character of his successor. They speculated that one reason for Gunawan's downfall might have been the evident discourtesy shown Hartini by Gunawan during the Attorney General's farewell call on Sukarno. Ambassador Jones noted that Gunawan's successor was a reliable anti-Communist and probably a

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more talented administrator than was Gunawan. As a followup to the Attorney General's Indonesian visit, Ambassador Jones suggested that it might be useful to invite Gunawan's successor to the United States for a visit. Several of his top aides might also be brought to the United States, perhaps to attend seminars and training courses in the Department of Justice. The Attorney General agreed.

5. The Attorney General inquired as to Gunawan's present whereabouts. Ambassador Jones said that Gunawan was living in retirement in Semarang, and that he would make a point of calling on Gunawan during his next visit to Semarang.

In addition to the foregoing, the Attorney General and Ambassador Jones discussed briefly the Indonesian reaction to our role in achieving a peaceful settlement of the West New Guinea dispute. Ambassador Jones noted that the settlement had given us an unparalleled opportunity to make lasting gains in Indonesia.

The orientation and capabilities of various Indonesian leaders were discussed, Ambassador Jones giving his assessment of Djuanda, Subandrio, and Nasution. He outlined briefly the reshuffle of Nasution's position, pointing out that it appeared to be somewhat of a calculated risk. Nasution, he observed, was separating himself from his immediate source of power but, at the same time, was moving into a position from which he might wield all three armed services into a more unified body.

Ambassador Jones described at some length the lasting impact made by the Attorney General during his visit to Indonesia, observing that few, if any, foreign leaders had evoked such a warm response on the part of both the leadership and the populace.

FE:SPA:ECIngraham/ncb

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October 4, 1962

Dear Senator Javits:

I want to thank you for your communication of September 25 enclosing a letter from Miss Marsha Hofner of Kenmore, New York. Your constituent asks several questions about Indonesia.

The Indonesian Communist Party, one of the largest Communist parties outside the Sino-Soviet bloc, is perhaps the best organized political party in Indonesia. During recent years, however, its activities have been followed carefully and have been checked in several instances by the Indonesian Army which, under the emergency conditions prevailing in the country as a result of the 1958 rebellion, effectively administers most of the country. On the other hand, the Soviet Union has taken advantage of the Dutch-Indonesian dispute over the territory of West New Guinea to support Indonesia diplomatically and politically and has moved with other members of the Sino-Soviet bloc to expand Soviet economic and military aid to Indonesia. While accepting this aid and support, Indonesia has reiterated its intention of pursuing an active and independent foreign policy tied to neither one of the two major world blocs. The United States has in the meantime maintained cordial relations with Indonesia, relations which we have a new opportunity to strengthen following the peaceful solution of the West New Guinea dispute. In our view, it is in the interest of the United States to further mutual understanding and cooperation with Indonesia especially in recognition of the great reservoir of good will and interest toward the United States which exists among the Indonesian people.

Total United States aid to Indonesia for fiscal year 1961 amounted to \$33 million.

I am enclosing additional material which I hope will be of interest to Miss Hofner.

I am

(1)
Refiled by RM/H

The Honorable
Jacob K. Javits,
United States Senate.

P/OPS: J. Collett

P/OPS - P- H

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I am returning your constituent's letter for your files. If I may be of any further assistance to you, please do not hesitate to call on me.

Sincerely yours,


Frederick G. Dutton
Assistant Secretary

Enclosures:

1. From Miss Hofner.
2. Selected material.

P/OPS:JG:bert:EAK:lvs

10/3/62

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ACTION
is assigned to


*Query re U.S. - Indonesian
relations.*

United States Senate

September 25, 1962

Respectfully referred to
Department of State
Congressional Liaison
Washington 25, D. C.

for such consideration as the communication
herewith submitted may warrant, and for a report
thereon, in duplicate to accompany return of
inclosure.

By direction of

GPO 16-7287-1

Jacob K. Javits,

U. S. S.

Attention: Mrs. Rosenthal
Constituent: Miss Marsha Hoffman
123 Dalton Drive
Kenmore 23, New York

Encl.

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OCT 10 1962

Letter and enclosures, if any,
microfilmed by RMIR

*Dr. Javits
9/28*

611.989-2562
Marsha Hoffman
HOFNER

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③ 9/26/62

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DEPARTMENT OF STATE
ASSISTANT SECRETARY

1102 16191

September 28, 1962

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TO: The Acting Secretary

THROUGH: S/S m

FROM: FE - Mr. Avery F. Peterson

SUBJECT: U.S. Policy toward Indonesia

A suggestion has been received from the Policy Planning Council that the draft short-form response to NSAM 179 would be more adequate if it contained a discussion of political strategy for Indonesia.

S/P suggestions are incorporated in the attached substitute pages 5 and 5.a. to the enclosure to my memorandum of September 25. This inserts section IV, and "Action Recommendations" becomes V.

Attachment:

Substitute pages 5 and 5a, to
memo "Plan of Action for Indonesia",
dated September 25, 1962.

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The strategic importance of Indonesia's geographical position and magnitude make it important to the United States. Our commitments on the Indo-China peninsula could be at the bottom of Southeast Asia fall out to Communism. It therefore becomes our objective (1) to keep Indonesia independent and out of the Soviet camp; (2) to help Indonesia become a politically and economically strong nation; and (3) to help solve Indonesia's stabilization and recovery problems and eventually launch a national development plan. The last was in part when President Kennedy in 1961 sent a group to examine Indonesia's economic plan thus to determine sectors in which we could help.

The United States cannot obtain these objectives alone. It will be necessary to get the assistance of other free world countries through the Development Assistance Committee (DAC), the International Monetary Fund, and the World Bank.

Political Strategy for Indonesia

The reason for a vigorous U.S. effort to achieve settlement of the West Irian issue was that it would have an impact on the internal balance of political power. Settlement would serve our interests because it would strengthen two groups in Indonesia, namely the army and a small but important group of non-leftist officials seriously interested in economic development.

The West Irian issue had dominated Indonesian politics, kept the army preoccupied with military preparations and dependent on the Communist bloc for support. Large military expenditures and exclusive political concentration on West Irian also

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...the Communist Party of Indonesia. Meanwhile, Communists exploited the ... to strengthen their political position. A ... of these trends and seriously endangered ... who want to cooperate with us ... has been achieved. It should be put to constructive use ... of Indonesians away from militant nationalism and ... by strengthening the army in the countryside. These ... of a long-run strategy to keep Indonesia non-Communist ... to give that country some forward momentum. More specifically:

- a. We should seek to convince Sukarno that (1) his position in Indonesian ... as a revolutionary leader can best be reinforced through actions ... further economic development, (2) he should delegate major ... in economic matters to competent subordinates, and (3) he should ... individuals with knowledge and ability needed to formulate ... development programs.
- b. We should collaborate with those civilian Indonesian leaders who are ... to the modernization and development of Indonesia.

Action Recommendations:

A. Subject to immediate implementation

1. PL 480 - \$32 million of rice, \$5.7 million of wheat flour and \$23.1 million of cotton have already been approved under an existing agreement and will be shipped promptly. The rice supply is four times larger than our basic commitment. \$15 million of vegetable oil is under consideration.

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